

## SELECTIVE AGRICULTURAL EMBARGOES ACT OF 1999

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JUNE 14, 1999.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. GILMAN, from the Committee on International Relations,  
submitted the following

### REPORT

[To accompany H.R. 17]

[Including cost estimate of the Congressional Budget Office]

The Committee on International Relations, to whom was referred the bill (H.R. 17) to amend the Agricultural Trade Act of 1978 to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, to provide greater assurances for contract sanctity, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### BACKGROUND AND PURPOSE

H.R. 17, the “Selective Agricultural Embargoes Act of 1999,” is intended to address the President’s use of his authority to impose unilateral economic sanctions that selectively emphasize trade in agriculture and that, at the same time, permit other forms of commerce with the sanctions target. Such sanctions are termed “selective agricultural embargoes.” The bill establishes a framework whereby the President is required to report to Congress on such selective agricultural embargoes and establishes a procedure whereby the Congress, by passing a joint resolution, may approve or disapprove such selective agricultural embargoes.

The Committee believes that unilateral economic sanctions can be an important tool in American foreign policy but recognizes that a sanctions regime will seem unfair if one sector of the American economy has to bear a disproportionate share of the burden of imposing sanctions.

## COMMITTEE ACTION

H.R. 17 was introduced by Mr. Ewing of Illinois on January 6, 1999, and was referred to the Committee on Agriculture and in addition to the Committee on International Relations. The Committee on Agriculture marked up the bill and ordered it reported on February 10, 1999, and filed its report, Report 106–154, Part 1, on May 20, 1999. On May 20, 1999, the Speaker extended the referral to the Committee on International Relations for a period ending not later than June 11, 1999. On June 11, 1999, the Speaker extended the referral for a period ending not later than June 14, 1999.

The Committee on International Relations marked up the bill on June 10, 1999. The Full Committee considered the bill and agreed to a motion to favorably report the bill to the House of Representatives, by voice vote. There were no amendments.

## RECORD VOTES ON AMENDMENTS AND MOTION TO REPORT

Clause (3)(b) of rule XIII of the Rules of the House of Representatives requires that the results of each record vote on an amendment or motion to report, together with the names of those voting for or against, be printed in the committee report. No record votes were taken during the consideration of H.R. 17.

## OTHER MATTERS

## COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

## COMMITTEE ON GOVERNMENT REFORM FINDINGS

Clause 3(c)(4) of rule XIII of the Rules of the House of Representatives requires each committee report to contain a summary of the oversight findings and recommendations made by the Government Reform Committee pursuant to clause (4)(c)(2) of rule X of those Rules. The Committee on International Relations has received no such findings or recommendations from the Committee on Government Reform.

## ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

## APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

## CONSTITUTIONAL AUTHORITY STATEMENT

In compliance with clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee cites the following specific powers granted to the Congress in the Constitution as authority for enactment of H.R. 17 as reported by the Committee: Article I, section 8, clause 1 (relating to providing for the common defense and general welfare of the United States); Article I, section 8, clause 3 (relating to the regulation of commerce with foreign nations); and Article I, section 8, clause 18 (relating to making all laws necessary and proper for carrying into execution powers vested by the Constitution in the government of the United States).

## PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any committee on a bill or joint resolution to include a committee statement on the extent to which the bill or joint resolution is intended to preempt state or local law. The Committee states that H.R. 17 is not intended to preempt any state or local law.

## NEW BUDGET AUTHORITY AND TAX EXPENDITURES, CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, AND FEDERAL MANDATES STATEMENTS

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives requires each committee report that accompanies a measure providing new budget authority, new spending authority, or new credit authority or changing revenues or tax expenditures to contain a cost estimate, as required by section 308(a)(1) of the Congressional Budget Act of 1974, as amended, and, when practicable with respect to estimates of new budget authority, a comparison of the estimated funding level for the relevant program (or programs) to the appropriate levels under current law.

Clause 3(d) of rule XIII of the Rules of the House of Representatives requires committees to include their own cost estimates in certain committee reports, which include, when practicable, a comparison of the total estimated funding level for the relevant program (or programs) with the appropriate levels under current law.

Clause 3(c)(3) of rule XIII of the Rules of the House of Representatives requires the report of any committee on a measure which has been approved by the Committee to include a cost estimate prepared by the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget Act of 1974, if the cost estimate is timely submitted.

Section 423 of the Congressional Budget Act requires the report of any committee on a bill or joint resolution that includes any Federal mandate to include specific information about such mandates. The Committee states that H.R. 17 does not include any Federal mandate.

The Committee adopts the cost estimate of the Congressional Budget Office as its own submission of any new required information with respect to H.R. 17 on new budget authority, new spending authority, new credit authority, or an increase or decrease in the national debt. It also adopts the estimate of Federal mandates

prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act. The estimate and report which has been received is set out below.

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, June 11, 1999.*

Hon. BENJAMIN A. GILMAN,  
*Chairman, Committee on International Relations,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 17, the Selective Agricultural Embargoes Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Craig Jagger and Dave Hull.

Sincerely,

BARRY B. ANDERSON,  
(For Dan. L. Crippen, Director).

Enclosure.

*H.R. 17—Selective Agricultural Embargoes Act of 1999*

H.R. 17 would establish procedures for the Congress to approve or disapprove agricultural embargoes imposed by the President that are not part of an embargo on all exports to a particular country or countries. The President would be required to report such embargoes to the Congress. Except in cases of war or national emergency, H.R. 17 would require that an embargo be terminated within a year after the Congress approves it or within 100 days of the report if the Congress disapproves it. The bill also would apply certain contract sanctity requirements that are already in effect for agricultural commodities to plant nutrient materials.

If new embargoes are imposed, the bill could affect direct spending because embargoes might end and programs to guarantee export loans might resume earlier than under current law. However, CBO has no basis for estimating the potential budgetary impact of these provisions because we cannot predict the likelihood or extent of future embargoes, or of future Congressional action to approve or disapprove of such embargoes.

Because the bill could affect direct spending, pay-as-you-go procedures would apply. H.R. 17 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On February 19, 1999, CBO prepared a similar cost estimate for H.R. 17, as ordered reported by the House Committee on Agriculture on February 10, 1999. The two versions of the bill are identical.

The CBO contacts for this estimate are Craig Jagger and Dave Hull. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

## SECTION-BY-SECTION ANALYSIS

*Sec. 1. Short title*

This Act may be cited as the “Selective Agricultural Embargoes Act of 1999.”

*Sec. 2. Reporting on selective embargoes*

This section amends the Agricultural Trade Act of 1978 by adding a new section at the end of title VI. It contains the following provisions:

(a) Report.—The President is required to report to Congress within 5 days of taking any action to embargo the export of any agricultural commodity which is under an export sales contract, if such embargo is not part of an embargo of all exports to that country.

(b) Approval of Embargo.—If within 100 days of receiving the President’s report a Joint Resolution approving the embargo is enacted into law, the embargo shall terminate on the earlier of a date chosen by the President, or one year after enactment of the Joint Resolution.

(c) Disapproval of Embargo.—If, on the other hand, within 100 days of receiving the President’s report a Joint Resolution disapproving the embargo is enacted into law, the embargo shall terminate automatically at the end of that 100 day period.

(d) Exception.—This section contains the exception that an embargo may take effect during any period in which the United States is in a state of war declared by Congress or during a national emergency as declared by the President.

(e) Definitions.—This section clarifies that the term “agricultural commodity” includes plant nutrient materials. It defines “under an export sales contract” to mean any export sales contract entered into prior to the time the President transmits notice of the proposed embargo to the Congress, and “embargo” to mean “any prohibition or curtailment.”

*Sec. 3. Addition of plant nutrient materials to protection of contract sanctity*

Generally, section 602(c) of the Agricultural Trade Act of 1978 prevents the President from nullifying export sales contracts which are entered into prior to the time the President takes any action which would prohibit or curtail the export of an agricultural commodity. This section amends section 602(c) to clarify that plant nutrient materials are included within the definition of “agricultural commodity” for purposes of receiving this same protection.

## OTHER MATTERS

The following letter is reprinted here for the interest of Members:

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON AGRICULTURE,  
*Washington, DC, June 9, 1999.*

Hon. BEN GILMAN,  
*Chairman, Committee on International Relations,*  
*Washington, DC.*

DEAR BEN: This correspondence is in regard to H.R. 17, the "Selective Agricultural Embargoes Act of 1999." The Committee on Agriculture approved this legislation on February 10, and as you are aware the bill was referred additionally to the Committee on International Relations. I understand that your committee will consider H.R. 17 on June 10, 1999, and that you do not anticipate any changes to the bill.

Subcommittee Chairman Ewing and I are eager for prompt floor consideration of H.R. 17. As H.R. 17 relates to an area of special concern to the Committee on International Relations, I support your determination that changes to the bill which would be within the jurisdiction of your committee not be allowed to occur without your input and consent.

If, as expected, your committee reports H.R. 17 without out amendment, let me assure you that in the event changes to the bill were proposed, either by the Senate or in the unlikely event of a conference, I will work with you to ensure that your committee's interests are protected. Because of the lengthy history of this legislation both in this session and last, I am eager to ensure that any concerns your committee may have concerning any attempts to modify this or similar legislation be thoroughly and cooperatively addressed in the same manner as was accomplished between our committees on H.R. 4647 during the 105th Congress. Should changes be made to H.R. 17 in the Committee on International Relations, I will reconsider the options available.

In the event your committee passes H.R. 17 without amendment I will seek to have the bill considered on the Suspension Calendar on the earliest available date.

I deeply appreciate your cooperation regarding H.R. 17. If I may be of further assistance regarding this matter please do not hesitate to contact me.

Sincerely,

LARRY COMBEST, *Chairman.*

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

**TITLE VI OF THE AGRICULTURAL TRADE ACT OF 1978**

**TITLE VI—REPORTS**

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**SEC. 602. EXPORT REPORTING AND CONTRACT SANCTITY.**

(a) \* \* \*

\* \* \* \* \*

(c) **CONTRACT SANCTITY.**—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity (*including plant nutrient materials*) under an export sales contract—

(1) that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity, and

(2) the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed,

except that the President may prohibit or curtail the export of any agricultural commodity (*including plant nutrient materials*) during a period for which the President has declared a national emergency or for which the Congress has declared war.

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**SEC. 604. REPORTING ON SELECTIVE EMBARGOES.**

(a) **REPORT.**—*If the President takes any action, pursuant to statutory authority, to embargo the export under an export sales contract (as defined in subsection (e)) of an agricultural commodity to a country that is not part of an embargo on all exports to the country, not later than 5 days after imposing the embargo, the President shall submit a report to Congress that sets forth in detail the reasons for the embargo and specifies the proposed period during which the embargo will be effective.*

(b) **APPROVAL OF EMBARGO.**—*If a joint resolution approving the embargo becomes law during the 100-day period beginning on the date of receipt of the report provided for in subsection (a), the embargo shall terminate on the earlier of—*

(1) a date determined by the President; or

(2) the date that is 1 year after the date of enactment of the joint resolution approving the embargo.

(c) **DISAPPROVAL OF EMBARGO.**—*If a joint resolution disapproving the embargo becomes law during the 100-day period referred to in subsection (b), the embargo shall terminate on the expiration of the 100-day period.*

(d) **EXCEPTION.**—*Notwithstanding any other provision of this section, an embargo may take effect and continue in effect during any period in which the United States is in a state of war declared by Congress or national emergency, requiring such action, declared by the President.*

(e) **DEFINITIONS.**—*As used in this section—*

(1) the term “agricultural commodity” includes plant nutrient materials;

(2) the term “under an export sales contract” means under an export sales contract entered into before the President has transmitted to Congress notice of the proposed embargo; and

*(3) the term “embargo” includes any prohibition or curtailment.*

